

Budget Review 2025-26

TriMet



BUDGET HIGHLIGHTS

- The budget increased 5.8% from \$1.84 billion to \$1.94 billion, to improve TriMet's infrastructure, services, and workforce. The increase was driven primarily by higher personnel services costs, capital investment in infrastructure projects, and bond proceeds. Contingency more than doubles to a total of \$77 million. The increase is driven by \$50 million set aside in contingency due to federal funding uncertainties.
- Bond proceeds total \$150 million, which is 12.3% of the district's total resources. Proceeds are from planned payroll tax revenue bonds and will be used to support major capital investments, including the purchase of new light rail vehicles and buses, infrastructure upgrades for zero-emissions fuel systems, and critical transit corridor projects such as 82nd Avenue and Tualatin Valley Highway.
- The budget includes ongoing investments in fare system enhancements. TriMet will introduce new touchscreen vending machines at MAX stations in 2025. Additionally, these machines will include multilingual options to enhance accessibility for non-English speakers and offer improved visual interfaces for those with visual impairments.
- The budget includes ongoing investments in safety and security, with total funding of \$77.97 million. This supports efforts to improve system security through additional transit security officers, enhanced surveillance technology, and improved emergency response infrastructure.
 - This includes increasing staffing for TriMet's Safety Response Teams, upgrading security cameras at stations and onboard vehicles, and implementing new technology to improve communication and response times during incidents.
- TriMet budgets \$221.1 million for various Capital Improvement Program expenditures, including:
 - \$25.2 million for maintenance infrastructure upgrades, including modernizing bus shop equipment, and upgrading aging facilities to enhance vehicle maintenance capabilities. The investment also includes substation replacements to ensure reliable power delivery to TriMet's light rail network.
 - \$66.1 million for the purchase of new Type 6 light rail vehicles, which are designed to replace aging fleet models.
 - \$5.7 million to continue the expansion of TriMet's Battery Electric Bus (BEB) fleet, advancing the agency's transition away from diesel-powered vehicles. This includes additional charging infrastructure to support expanded BEB operations.
 - \$26.8 million for continued development of the Columbia Bus Base, a major expansion project that will provide enhanced maintenance facilities and accommodate future fleet growth, including alternative fuel vehicles such as hydrogen fuel-cell electric buses.
 - \$14.1 million for transit center upgrades, including improvements at Beaverton and Oregon City Transit Centers to enhance passenger amenities, improve safety features, and modernize infrastructure. Additionally, the design phase for upgrades to the Gateway and Parkrose Transit Centers will address growing ridership demands and improve multimodal connections.

INTRODUCTION & BACKGROUND

The Tri-County Metropolitan Transportation District (TriMet) boundary covers about 533 square miles of the urban portions of Multnomah, Clackamas and Washington counties. TriMet serves a population of 1.55 million.

A seven-member board governs TriMet without compensation. The Board of Directors is appointed by the governor and subject to confirmation by the State Senate. They represent a geographical district where they must reside.

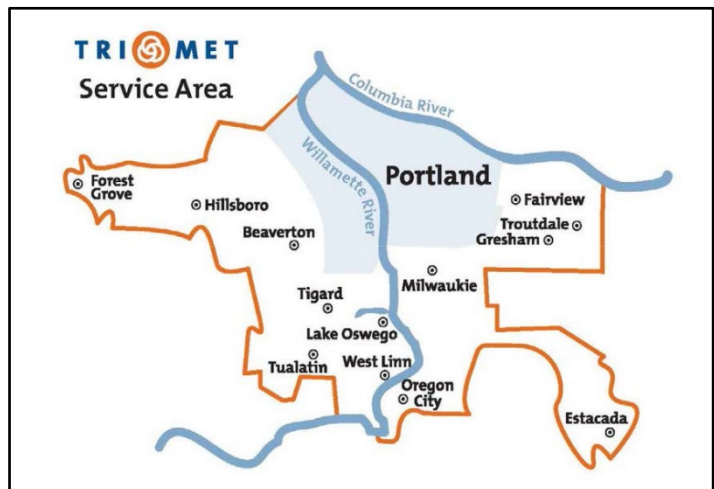
The primary TriMet revenue sources are employer payroll taxes, passenger revenues, and federal grants. Other permitted financing sources not presently used include business license fees and a 1% maximum income tax. TriMet does not have a permanent tax rate and the district does not levy a property tax.

TriMet provides mass transit: bus, light rail, and LIFT door-to-door services. TriMet also operates the City of Portland's Streetcar.

TriMet	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$191.102	\$199.803	\$212.035	\$220.340
Real Market Value (M-5) in Billions	\$371.337	\$427.345	\$440.269	\$439.030
Number of Employees (FTE's)	2,996	3,158	3,558	3,610
Ridership: (11-30-21)				
Bus Boardings	24,974,900	30,758,660	5,495,212	40,531,210
LIFT Boardings	268,155	437,916	539,530	639,570
Light Rail Boardings	14,798,155	18,647,585	1,899,720	24,069,880
WES Commuter	<u>84,345</u>	<u>103,177</u>	<u>117,926</u>	<u>115,935</u>
Total Boardings	40,125,645	49,947,338	58,052,388	65,356,595
Average Weekday Ridership	121,694	152,740	177,935	99,464

BUDGET OVERVIEW

TriMet's 2025-26 Approved Budget is driven by its Vision 2030 plan to achieve 120 million boardings per year by 2030. The agency plans to accomplish this by focusing on five pillars: Customers, Infrastructure, Internal Business Practices, People, and Financial. Goals in these areas include such actions as increased service, continued efforts in renewable diesel, replacement of ticket vending machines, cleanliness of vehicles, a fiscally sustainable capital improvement program and enhancing safety and security on the system.



The FY2026 budget includes continued investment in fare system improvements. TriMet will introduce new touchscreen vending machines at MAX stations in 2025 to improve fare payment convenience and accessibility. These machines will support cash, credit, and debit transactions, as well as offer multilingual options and improved visual interfaces for individuals with visual impairments. Passenger revenues are projected to increase 7.1% as a result of fare structure changes implemented in January 2024, which raised adult fares by \$0.30 to \$2.80 and honored citizen/student fares by \$0.15 to \$1.40.

The \$1.94 billion budget includes \$900.3 million in day-to-day operating requirements and \$221.1 million for capital projects. TriMet has set aside \$77 million in contingency funds and plans for \$722 million in ending fund balance.

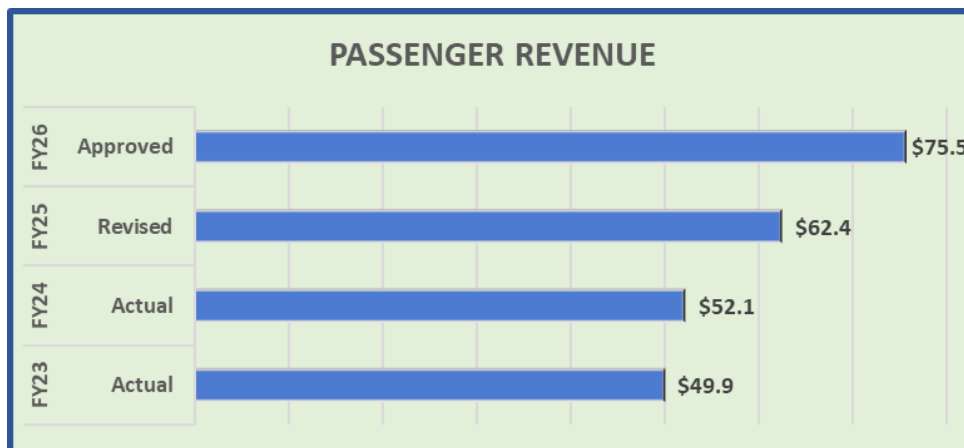
Significant budgetary items in TriMet's FY2026 Proposed Budget reflect a continued focus on fiscal sustainability, safety and security, and capital investment. In response to rising costs driven by inflation and other economic pressures, TriMet remains committed to financial responsibility, aligning spending with its business plan and its guiding principle of "Connecting People for a Better Life." Budget priorities include customer service, infrastructure, internal business practices, workforce support, and financial stewardship. To maintain long-term financial health, TriMet closely monitors expenditures and limits growth to essential services and safety. The agency has contingency plans to address potential constraints—such as federally mandated accessible transportation requirements, increasing utility and insurance costs, and fuel prices—ensuring the protection of core services and regional livability. Safety and security remain key priorities, with the FY2026 Proposed Budget allocating \$86.4 million to the Safety & Security Division—more than double the FY2023 allocation of \$40.1 million. This increase supports investments in Transit Police, Safety Response Teams, Customer Safety Supervisors (code enforcement), and contract security officers, enabling a proactive approach to rider and employee safety while supporting efforts to improve ridership. In terms of capital investment, major projects include the 82nd Avenue Transit Project, development of the Columbia Bus Base, electric bus purchases along with associated charging infrastructure, and transit center expansions. Additional capital spending covers the routine replacement of equipment, track and signal systems, and other safety-related infrastructure improvements across TriMet's network.

Additional investments include \$66.1 million for new Type 6 light rail vehicles, \$25.2 million for maintenance infrastructure upgrades, \$26.8 million for the Columbia Bus Base expansion, and \$5.7 million to continue expansion of the Battery Electric Bus (BEB) fleet to advance TriMet's zero-emissions goals.

RESOURCES

Nearly all of TriMet's operating resources are from payroll taxes, passenger revenues, and federal/state grant funding. As in years past, payroll taxes comprise the largest source of revenue for TriMet. Payroll tax is 48% of total operating revenue in the FY26 budget and increases slightly by 1.8% in this budget. The increase includes the annual increase of one-tenth of one percent for service investments and expansion that started in 2016 and concluded January 1, 2025. This additional amount was authorized by the Oregon legislature in 2003 and again in 2009. TriMet has authorized the ten-year increase two times: once for the period from January 1, 2005 to January 1, 2014, and again for the period starting January 1, 2016 and ending January 1, 2025. FY2026 marks the first full year in which this increase is fully phased in and no additional increases are authorized.

Passenger revenues increase by \$13.2 million from the FY25 budget. The district forecasts revenue based on ridership activity. Ridership is expected to have annual growth of 5% per year, but it only increased by 3.5% for FY26. The district notes the continuation



of fare infrastructure improvements, low-income fare programs, and on-time, faster performance will have positive effects on returning ridership and passenger revenues. The district is also investing heavily in safety and security with a goal of increasing ridership.

Federal grants are projected to decrease \$4.8 million compared to the FY25 estimate – a 7.3% drop from 157.8 million to 146.3 million. TriMet continues to draw down one-time funds from the American Rescue Plan Act and CARES Act through FY2026, using the remaining \$289.1 million ARP allocation—received in 2022—to maintain service levels and avoid staff layoffs. TriMet’s contingency totals \$77 million which includes \$50 million reserves due to federal funding uncertainties. Federal operating funds total 19.4% of TriMet’s resources. This includes Section 5307 Urbanized Area formula (\$63.2 million), Section 5337 State of Good Repair (\$56.7 Million), 5310 Enhanced Mobility of Seniors & Individuals with Disabilities (\$1.6million), and other smaller federal grants of \$5.6 million. State revenues are also decreasing by \$29 million from FY25 level. This is attributed to a reduction in capital improvement project (CIP) funding, this is a return to typical state revenue levels for TriMet... This budget also includes \$150 million in debt proceeds, which will primarily fund capital projects aligned with the TriMet’s State of Good Repair goals and system modernization efforts. These proceeds are expected to support projects such as light rail vehicle replacements, upgrades to aging maintenance facilities, and improvements to critical infrastructure.

Beginning fund balance declines by 6% in this budget, this is part of planned spending of reserves as TriMet addresses excepted deficit years. The budget document shows forecasted deficit spending through FY 30 (p.53).

REQUIREMENTS

TRIMET REQUIREMENTS BY OBJECT

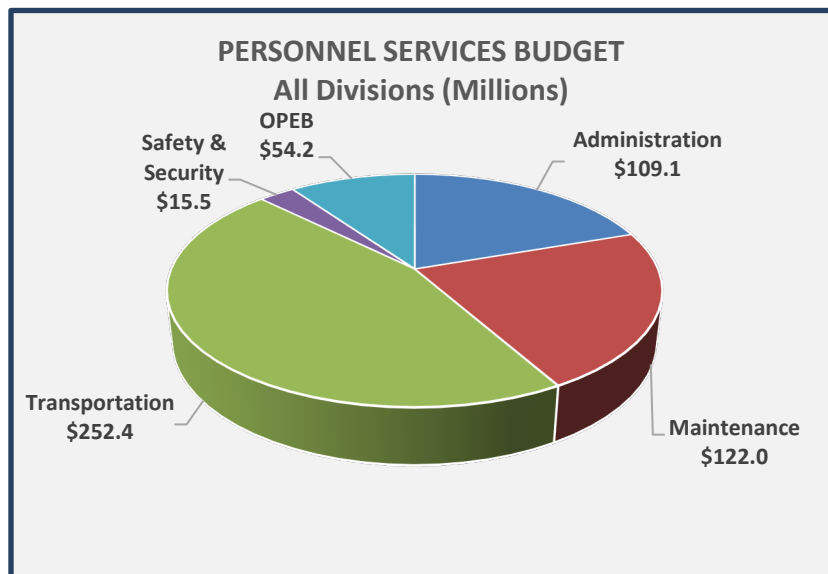
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
	Actual	Actual	Revised	Approved	Change
Personnel Services	439,409,828	450,830,853	530,375,329	553,562,067	4.4%
Materials & Services	211,646,288	256,209,385	291,674,300	296,378,800	1.6%
Capital Outlay	195,335,826	245,674,607	199,952,230	221,146,490	10.6%
Debt Service	62,497,737	65,611,863	65,564,560	74,520,877	13.7%
Contingencies	0	0	36,791,826	77,010,468	109.3%
Ending Fund Balance	949,270,837	873,140,103	713,932,983	721,996,673	1.1%
TOTAL	1,858,160,516	1,891,466,811	1,838,291,228	1,944,615,375	-5.8%

Contingency & Fund Balance

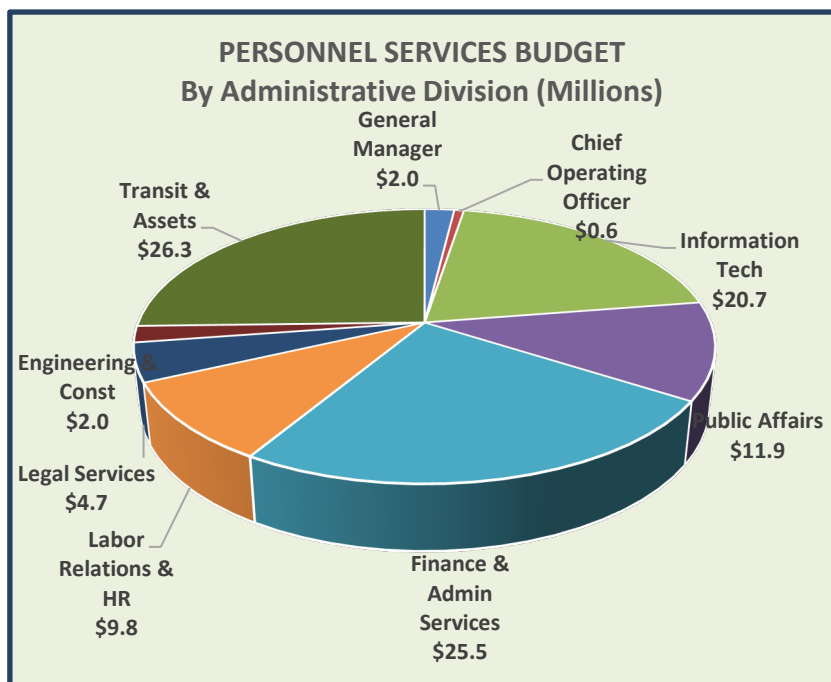
The District’s contingencies is more than doubling from FY25 to \$77 million—an increase driven by concerns over federal funding uncertainties. Of this total, \$50 million has been specifically reserved to mitigate potential shortfalls in federal grants. The contingency now accounts for approximately 7% of TriMet’s operating expenditures.

Personnel Services

Personnel service costs increase by nearly 5% for the FY26 budget. This growth is primarily driven by wage adjustments and increases and additional FTE. Despite this overall increase, budgeted costs for post-employment benefits (OPEB) decreased significantly—from \$62.9 million in FY2025 to \$54.2 million in FY2026. The majority of this reduction is attributed to lower contributions to TriMet’s defined benefit OPEB plan which provides health care and life insurance benefits for retired employees.



This budget reflects a net increase of 11.0 FTE, with 16.00 additional union positions and a reduction of 5.00 non-union positions. The Transit System & Asset Support Division saw the largest increase, adding 39.00 FTE to accommodate expanded responsibilities. The Safety & Security Division also grew by 3.00 FTE, absorbing roles from the Transportation and Maintenance Divisions. Additional growth occurred within Labor Relations & Human Resources (+8.00 FTE) and Finance & Administration Services (+1.00 FTE) to support agencywide initiatives. Conversely, several divisions experienced reduction due to the expiration of limited-term positions and restructuring efforts. The Transportation Division (-8.00 FTE) and Public Affairs Division (-17.00) saw decreases, reflecting both role realignments and the conclusion of specific projects. Similarly, Information Technology (-11.00 FTE), Strategy & Planning (-3.00 FTE), and Engineering & Construction (-4.00 FTE) saw declines primarily due to limited-term position expirations.



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The two graphs above show the distribution of the personnel dollars by division and the Administrative Service expenditures separated by function.

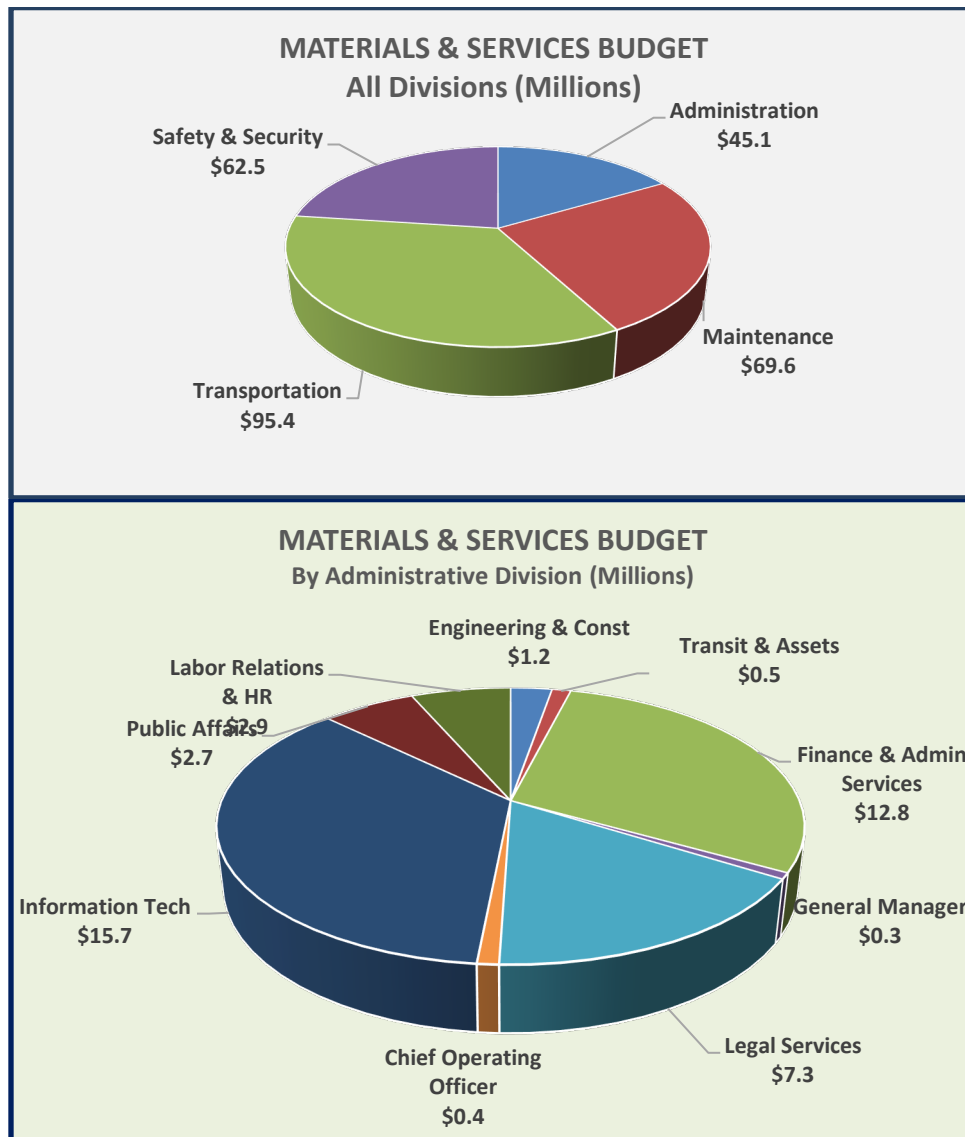
OPERATING PROGRAM EMPLOYEES				
	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Approved
Non-Union Employees				
Full -Time Employees	563.00	618.00	699.00	721.00
Limited Term Full-Time Employees	32.00	47.00	57.00	30.00
Part-Time Employees	0.80	1.80	0.80	0.80
Limited Term Part-Time Employees	0.00	0.00	0.00	0.00
Total Non-Union Employees	595.80	666.80	756.80	751.80
Union Employees				
Full-Time Employees	2,317.00	2,559.00	2,585.00	2,620.00
Limited Term Full-Time Employees	26.00	23.00	28.00	9.00
Part-Time Employees	220.00	188.00	239.80	239.80
Total Union Employees	2,563.00	2,770.00	2,852.80	2,868.80
Total Operating Employees	3,158.80	3,436.80	3,609.60	3,620.60

Non-union positions are budgeted with a 3% merit increase. For union employees, the ATU Working and Wage Agreement remains in effect through November 30, 2028. The most recent 4% union wage increase took effect on December 1, 2024, with additional 3% increases scheduled annually on December 1st through 2027.

Retiree benefits have historically been a challenge for TriMet. However, in FY15, the agency adopted a policy to contribute \$30 million annually to eliminate the pension system's unfunded accrued actuarial liability (UAAL) in 15 years. Since then, each year \$25 million went to the union portion of the UAAL and \$5 million to the non-union program. Due to this aggressive funding, both union and non-union pensions achieved fully funded status, defined as 93% or greater, in FY22; unfortunately, the volatility of the market affected the fully-funded status. The audited financial statements for FY24 show the union plan is 80.9% funded and the non-union plan is 86.4% funded.

Oregon Paid Leave remains budgeted at \$1.2 million for FY26. This amount includes \$912,067 for union and \$408,904 for non-union employees.

Materials and Services (M&S)¹



Office of the General Manager Division

The Office of the General Manager Division is responsible for the strategic direction of the district, compliance with Title VI and Civil Rights programs, and performance of internal audits. The Office of the General Manager Division's total budget for FY2026 is \$2.32 million, reflecting a 13% increase from FY2025. This increase is attributed to a 15.6% increase in Personal Services (PS) expenses, totaling \$2.01 million, primarily due to one added position. Materials and Services (M&S) remain stable at \$312.9K.

Chief Operating Officer Division

The division is responsible for directing the overall strategy and management of the Transportation, Maintenance, Safety & Security, and Transit System & Asset Support divisions. The Chief Operating Officer Division's budget for FY2026 is \$1.09 million, reflecting a decrease of \$31.6K (-2.8%) from FY2025. The decrease is due to a 4.6% reduction in Personnel Services (PS) expenses, while Materials & Services (M&S) remain at \$441.6K

¹ When considering information for the Materials and Services, the Pass-Through payments are not included in this section, even though they are added into the Materials & Services line item on the summary spreadsheet.

Maintenance Division

The Maintenance Division's FY2026 budget is \$191.65 million, a 3.5% increase from FY2025. PS expenses increase by \$7.32 million (+6.4%), while M&S decrease by \$872K (-1.2%). The Bus Maintenance Department's M&S budget is reduced to \$29.93 million, reflecting a continued decline in diesel fuel costs and increased investment in electrification efforts

Transportation Division

The Transportation Division's FY2026 budget is \$347.79 million, reflecting a 7.9% increase from FY2025. The Accessible Transportation Programs Department's budget increased by over \$10.5 million, reaching \$74.1 million. This is primarily due to expanded paratransit services under contracts with Transdev North America, Uzurv, Broadway Cab, and Big Star Transit. Additionally, the Commuter Rail Department's largest expenditure in M&S is \$2.9 million allocated for train operations, reflecting investments in track maintenance, workforce training, and performance incentives. The Portland Streetcar service, jointly managed by TriMet and the City of Portland, has \$8.3 million budgeted for operations and maintenance. This partnership ensures continued improvements in operational efficiency and service coverage for Portland's streetcar system

Information Technology Division

The Information Technology Administration Department is responsible for providing administrative support for all the functions in the Information Technology Division. M&S expenses increased to \$15.67 million, with the largest increase coming from IT Operations & Infrastructure, which rose by \$1.14 million (22%). Allocations also include: increased spending to enhance cybersecurity measures and implement modern risk management frameworks, infrastructure upgrades and investments in expanded CRM solutions and enhanced customer data analysis platforms to improve customer service efficiency

Finance & Administrative Services Division

The Finance & Administrative Services Division is responsible for agency financial activities, managing fare collections, and financial planning. M&S are budgeted at \$12.8 million in FY26, primarily for insurance and banking fees.

Labor Relations & Human Resources Division

The Labor Relations & Human Resources Division recruits and retains employees through ensuring competitive benefits, providing employee engagement, administering the collective bargaining agreements and managing the district's pay, recognition and performance programs. M&S are budgeted at \$2.8 million in FY26.

Legal Services Division

The Legal Services Division's FY26 budget is \$12.39 million, reflecting an 18.2% increase. The largest increase is in Real Estate and Real Estate & Transit Oriented Development (RTOD), which rose by \$1.8 million. This increase is driven by expanded property acquisitions, lease agreements, and project developments tied to ongoing transit expansion and improvement projects. Additionally, legal counsel costs rose due to increased contract negotiations.

Safety and Security Division

The Security & Emergency Management Department will again account for the majority of the division's M&S expenditures. In FY26, contracted and other security services—including Transit Police, contracted security personnel, and the Deputy District Attorney (DA) agreement—are budgeted at \$63.4 million. Within this amount, funding for Transit Police contracts is reduced by approximately \$3.7 million, while security services and the Deputy DA contracts increase by a combined \$8.7 million. A priority remains

maintaining high-visibility patrols, with security staff expected to spend at least 75% of their shift time actively present on the transit system.

Transit System & Asset Support Division

The Transit System & Asset Support Division is comprised of Administration, Transit System Support Services, Transit Training & Development, and Transit Asset & Maintenance Support. M&S decreased by 54% to \$542,600 primarily due to decreases in the Transit System & Asset Support (TSAS) department.

Engineering & Construction Division

The Engineering and Construction Division provides design and construction management for the light rail system and coordinates with regional partners to expand the transit system and improve transit speed, reliability, and service. M&S expenses increased to \$1.18 million in FY26.

Public Affairs Division

The goals of this division include building ridership, building and strengthening relationships with communities, effective communication of agency goals, and ongoing intergovernmental relations. Public Affairs efforts were emphasized in the FY24 budget but have continued to decrease in FY26. The budget decreases in total by \$5.49 million. for Communications and Marketing (CM) and Customer Information Services (CIS) decreased by \$3.95 million and \$1.41 million, respectively, in this budget reflecting most of the division's M&S change in FY26.

Inclusion, Diversity, Equity & Accessibility (IDEA) Division

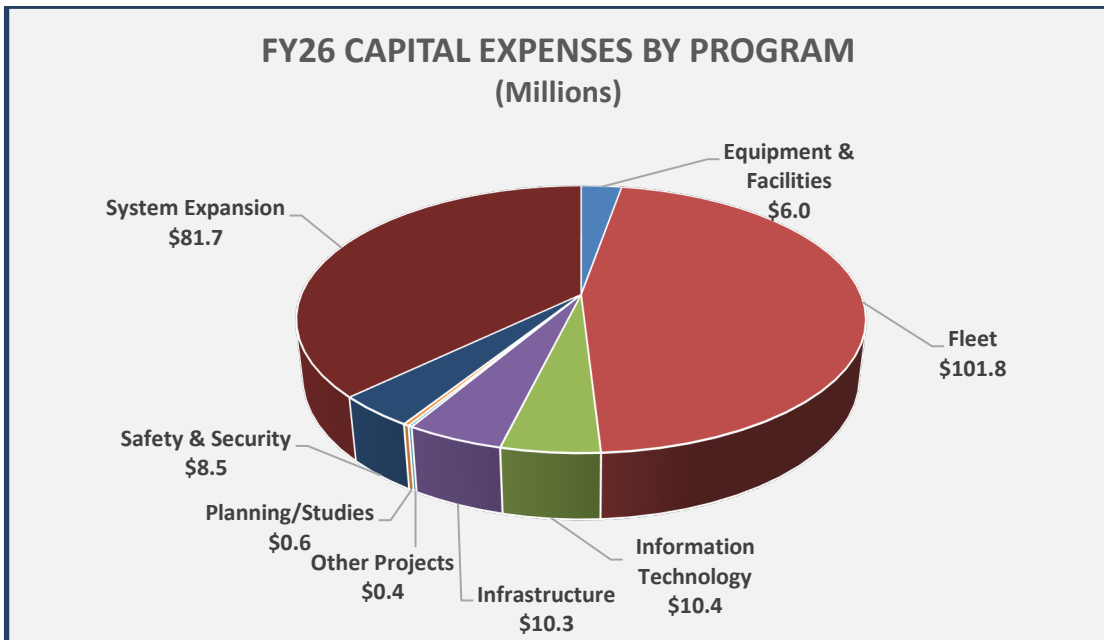
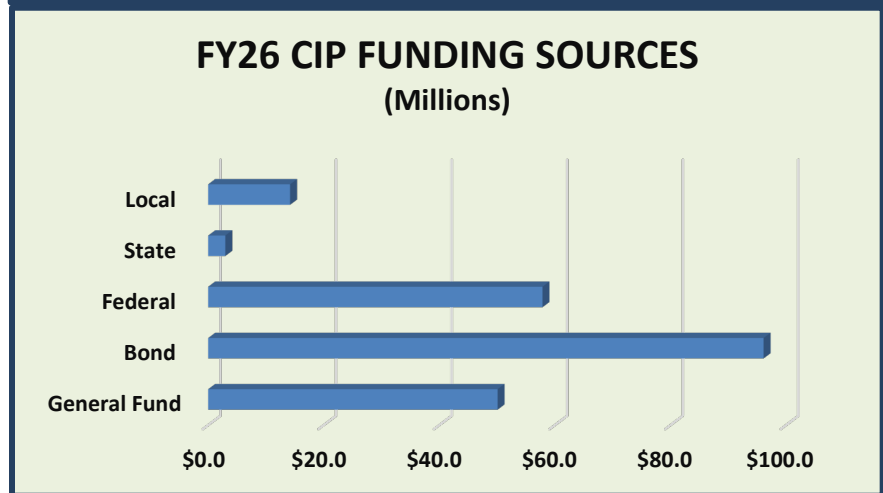
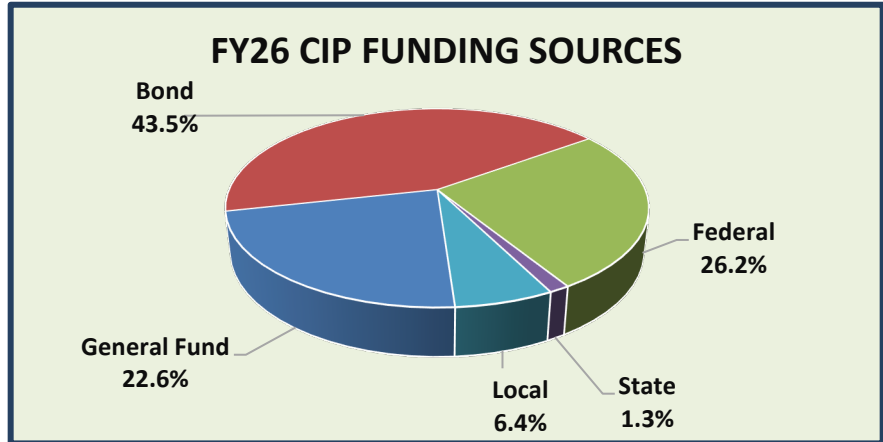
The Inclusion, Diversity, Equity & Accessibility (IDEA) Division continues as a standalone division in the FY2026 Proposed Budget, following its separation from the Office of the General Manager in the prior year. The division is responsible for overseeing TriMet's Title VI and Civil Rights compliance, advancing equity initiatives, and administering the Fare Subsidy Program. The IDEA Division is composed of a single department bearing the same name, with \$0.36 million allocated for M&S in FY26—reflecting a \$100,000 decrease from the previous year.

Strategy & Planning Division

The Strategy & Planning Division was established as a separate division in FY25. Priorities for this division include identifying and implementing agency-wide strategies, and planning all bus and rail service functions including stop location and facilities. This division is responsible for development of the annual Business Plan that guides the district's operations and growth. There is a total of \$0.5 million budgeted for M&S among the two departments in the division. Most of this amount is for professional services.

Capital Improvement Projects

FY26 capital improvement projects (CIP) total \$221.1 million and are funded through a mix of sources. General Fund contributions continue to rely primarily on payroll taxes and passenger fares. Bond proceeds contribute \$66.1 million toward capital investments, with funds from prior bond issuances in 2019, 2021, and 2022. The majority of federal funding supports initiatives such as the Red Line Extension, procurement of zero-emissions buses, and upgrades to MAX light rail infrastructure. State Transportation Improvement Fund (STIF) grants, which supported 15 projects in FY2025, are not included in the FY2026 budget. State and local funding sources fully or partially support a number of projects, including continued investments in electric bus infrastructure, fare system improvements, and facility upgrades. However, federal funding remains an uncertainty, as one-time pandemic relief dollars are phasing out—prompting TriMet to plan conservatively and set aside contingency reserves to manage potential shortfalls.



Significant Capital Investments for FY26 are:

CAPITAL PROJECT	DESCRIPTION	FY26 BUDGET
System Expansion and Enhancement		
82nd Avenue Transit Improvements	Continued design and permitting for high frequency bus line along 82nd Avenue.	\$9.6 Million
TV Highway Improvements	This project enhances transit and safety along TV Highway, addressing high crash rates, heavy Line 57 ridership, poor stop conditions, and slow bus travel times	\$10.3 Million
Vehicle Purchases		
Light Rail Vehicles (LRV)	The construction of the new Type 6 LRVs to replace the original Type 1 LRVs purchased in the early 1980's, as well as Type 2 LRVs. New vehicles will continue to be delivered through FY2026.	\$66.1 million
Electric Buses	Ongoing purchases of Battery Electric Buses (BEB).	\$5.7 million
State of Good Repair Projects		
Maintenance Infrastructure	Various projects including bus shop equipment, platform updates, facility upgrades, light rail track, light rail electrification and signaling, substation and storage facilities.	\$25.2 million
IT Infrastructure	To replace aging IT equipment, including servers, communications towers, CCTV updates, real-time tracking and rail control systems.	\$10.4 million
Fare Infrastructure	two projects that involve fare collections (farebox replacements and ticket vending machine replacements)	\$6.0 million
Other Infrastructure	multiple other projects include layover upgrades, improvements to rail crossings, transit tracker displays, and LIFT vehicles.	\$15.2 million
Other Capital Projects		
Safety Enhancements	Nine projects specifically focused on improving safety and security for bus and rail facilities, including infrastructure improvements impacting vehicles and passengers.	\$10.9 million

Ongoing Operational Impacts

Several CIP projects expand TriMet's infrastructure to provide additional services or support for additional services. Completion of the expansions will result in ongoing operational and maintenance (O&M) expenses.

The following table from TriMet's Approved Budget shows the agency's estimates of the impact on operations the 2026 Capital Improvement Projects will have. You can find the original table on p. 369 of TriMet's Approved Budget document: [FY2026 TriMet Approved Budget](#)

FY2026 CIP Impacts on Operations

Div	PN	Project Name	Impact on Operating Costs	OTO or CE?	Estimated Impact	Notes
SS	1130	Vehicle Borne CCTV	Increases FY2026+ Operational Cost	CE	\$850k	Software maintenance costs; offset by op efficiencies
EC	1146	Division Transit Project	Increases FY2026+ Operational Cost	CE	\$12.7M	Continued operational costs of new service
LS	1147	ECM Implementation Project	Increases FY2026+ Operational Cost	CE	\$100k	Software maintenance cost increase
EC	1161	PMIS Replacement	Increases FY2026+ Operational Cost	CE	\$100k	Software maintenance costs; offset by op efficiencies
IT	1174	NextGen Transit Signal Priority	Increases FY2026+ Operational Cost	CE	\$100k	Software licensing cost increase
FA	1175	Fixed Route Farebox Replacement	Increases FY2026+ Operational Cost	CE	\$180k	Maintenance Costs
IT	1180	Regional Mobility Planner	Increases FY2026+ Operational Cost	CE	\$260k	Maintenance Costs
SS	1182	Security Software	Increases FY2026+ Operational Cost	CE	\$300k	Software maintenance cost increase
IT	1184	Bus CCTV upgrade	Increases FY2026+ Operational Cost	CE	\$120k	Software maintenance cost increase
Div	PN	Project Name	Impact on Operating Costs	OTO or CE?	Estimated Impact	Notes
IT	1186	LRV CAD-AVL	Increases FY2026+ Operational Cost	CE	\$10K-\$50K	Software maintenance cost increase
EC	2045	MAX Station Optimization	Reduces FY2026+ Operational Cost	CE	\$80k	Reduced facility maintenance
EC	2048	Garage, Layover, & TC Expansion	Increases FY2026+ Operational Cost	CE	\$10-50k	Additional facility maintenance costs
EC	3651	Portland-Milwaukie Light Rail	Increases FY2026+ Operational Cost	CE	\$10-50k	Park & Ride additional maintenance
TR	4079	ATP Technology Grant	Increases FY2026+ Operational Cost	CE	\$75k	Software maintenance cost increase
EC	4638	Red Line Extension & Reliability Improvements	Increases FY2029+ Operational Cost	CE	\$1.6M	New service cost, net of fares
MT	6035	NRV EV Charging Infrastructure	Reduces FY2026+ Operational Cost	CE	\$250k	Savings from electric charging vs. fuel
EC	7219	82nd Avenue Transit Improvements	Increases FY2029+ Operational Cost	CE	\$9.4M	Increased operational costs for FX line
MT	7504	Rail Equipment Maint. Equipment Acquisition	Increases FY2026+ Operational Cost	CE	\$10K-\$50K	Increased maintenance and replacement costs
EC	7591	Columbia Bus Base	Reduces FY2026-2029 Operational Cost	OTO	\$360k	Reduced facility maintenance and utility cost
LS	7595	Hollywood TC TOD & Substation Replacement	Reduces FY2026+ Operational Cost	CE	\$10K-\$50K	Reduced facility maintenance

Table 1. FY2026 Proposed Budget CIP Impacts on Operations

The budget includes a 13% increase in the Debt Service requirement, rising from \$65.6 million in FY2025 to \$74.5 million in FY26. This increase is driven primarily by scheduled principal and interest payments on existing bonds, along with the inclusion of \$1.75 million in additional debt service for new bond issuance.

DEBT STATUS

TriMet utilizes two forms of bonds: payroll tax revenue bonds and capital grant receipt bonds. Both types fund the acquisition or construction of major capital assets with a useful life greater than one year.

Payroll tax revenue bonds are payable from revenues that include employer payroll taxes, self-employed taxes and State of Oregon in lieu payroll taxes. The current tax rate is 0.8237% of applicable wages.

Capital grant receipt bonds are payable from specified grant receipts: Section 5307 Urbanized Area Formula federal grants, Surface Transportation Block federal grants, and Congestion Mitigation & Air Quality federal grants.

OUTSTANDING DEBT	
Payroll Tax Bonds	\$782,755
Capital Grant Receipt Bonds	\$148,705
Projected Balance 6/30/2025	\$931,460

Payroll tax revenue bonds meet TriMet's Debt Management policy of less than 7.5% of continuing revenues.

FY26 DEBT MANAGEMENT POLICY CALCULATION	
Debt Service	
Senior Lien Tax Revenue Bonds (aka Payroll Bonds)	51,361,077
Total Debt Service	51,361,077
Continuing Revenue	
Operating Revenue	95,698,500
Tax Revenue	550,201,300
Other Revenue	227,924,700
Net Continuing Revenue	873,824,500
Senior Lien Tax Revenue Bonds Debt Service as Percent of Operating Revenue	5.9%

The district issued \$200 million in bonds in FY22 to be used for the Red Line Project, Light Rail Vehicles, Powell Project and other major development projects that qualify for bond funding. In FY26, TriMet anticipates \$150 million in new payroll tax revenue bond proceeds for capital projects including the replacement of light rail vehicles, development of alternative fuel infrastructure, and improvements along 82nd avenue.

TriMet continues to maintain a triple-A bond rating.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
n/a		Does the G.O. Debt Service Fund show only principal and interest payments?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the budget?
n/a		Did the budget committee set the levy?
X		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The Fiscal Year 2025-26 Budget is in substantial compliance with local budget law. Estimates are judged to be reasonable for the purpose shown.

The audit report for FY 2024 does not note any budget law violations.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's Fiscal Year 2025-26 Approved Budget or budget process and suggest the Certification Letter contain no recommendations or objections.

TriMet					
Budget Summary					
SUMMARY OF ALL FUNDS	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
	Actual	Actual	Revised	Approved	Change
TOTAL PROPERTY TAX	0	0	0	0	0.0%
RESOURCES:					
Beginning Fund Balance	1,026,675,626	981,871,080	847,810,440	796,400,750	-6.1%
Other Taxes	485,182,225	511,423,193	540,430,300	550,201,300	1.8%
Intergovernmental Revenue	230,073,273	269,718,027	340,818,188	307,853,225	-9.7%
Fees and Charges	69,923,131	70,437,576	83,178,100	95,698,500	15.1%
Other Income	46,306,261	58,016,935	26,054,200	44,461,600	70.7%
Debt Proceeds	0	0	0	150,000,000	0.0%
TOTAL RESOURCES	1,858,160,516	1,891,466,811	1,838,291,228	1,944,615,375	5.8%
REQUIREMENTS BY OBJECT:					
Personnel Services	439,409,828	450,830,853	530,375,329	553,562,067	4.4%
Materials & Services	211,646,288	256,209,385	291,674,300	296,378,800	1.6%
Capital Outlay	195,335,826	245,674,607	199,952,230	221,146,490	10.6%
Debt Service	62,497,737	65,611,863	65,564,560	74,520,877	13.7%
Contingencies	0	0	36,791,826	77,010,468	109.3%
Ending Fund Balance	949,270,837	873,140,103	713,932,983	721,996,673	1.1%
TOTAL REQUIREMENTS BY OBJECT	1,858,160,516	1,891,466,811	1,838,291,228	1,944,615,375	5.8%
DETAIL OF GENERAL FUND					
RESOURCES:					
Beginning Fund Balance	1,026,675,626	981,871,080	847,810,440	796,400,750	-6.1%
Other Taxes	485,182,225	511,423,193	540,430,300	550,201,300	1.8%
Federal Revenue	178,313,798	196,804,396	208,937,016	204,090,437	-2.3%
State Revenue	48,531,090	66,954,910	130,292,872	101,404,888	-22.2%
Local Revenue	3,228,385	5,958,721	1,588,300	2,357,900	48.5%
Fees and Charges	69,923,131	70,437,576	83,178,100	95,698,500	15.1%
Other Income	46,306,261	58,016,935	26,054,200	44,461,600	70.7%
Debt Proceeds	0	0	0	150,000,000	0.0%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	1,858,160,516	1,891,466,811	1,838,291,228	1,944,615,375	5.8%
REQUIREMENTS:					
Enterprises and Community Svcs.	623,191,803	713,102,305	711,974,235	763,789,144	7.3%
Administrative Services	206,902,343	218,712,619	286,910,824	283,185,413	-1.3%
Debt Service	62,497,737	65,611,863	65,564,560	74,520,877	13.7%
Pass Throughs	16,297,796	20,899,921	23,116,800	24,112,800	4.3%
Contingencies	0	0	36,791,826	77,010,468	109.3%
Ending Fund Balance	949,270,837	873,140,103	713,932,983	721,996,673	1.1%
TOTAL FUND REQUIREMENTS	1,858,160,516	1,891,466,811	1,838,291,228	1,944,615,375	5.8%

TriMet has only one fund – the General Fund.